

Message Text

LIMITED OFFICIAL USE

PAGE 01 RABAT 06503 031536Z

12
ACTION EB-07

INFO OCT-01 NEA-10 ISO-00 TRSE-00 L-03 SCS-03 SCA-01 EUR-12

/037 W

----- 110714

R 031355Z DEC 76
FM AMEMBASSY RABAT
TO SECSTATE WASHDC 454
INFO USDOC WASHDC
AMCONSUL CASABLANCA

LIMITED OFFICIAL USE RABAT 6503

E.O. 11652: N/A
TAGS: EWWT MO
SUBJECT: UNITED SEAMEN'S SERVICES TAX PROBLEM

1. UNITED SEAMEN'S SERVICES (USS) CASABLANCA FACES GOM CLAIM FOR \$12,000 IN BACK TAXES PLUS ADDITIONAL \$12-13,000 IN PENALTIES. SINCE ITS INCEPTION IN 1953 USS, WHICH RUNS AT DEFICIT COVERED BY USS HEADQUARTERS IN NEW YORK, HAS PAID SMALL AMOUNT OF TAX ANNUALLY ON GROSS SALES OF FOOD AND LIQUOR, ALTHOUGH IN MOST COUNTRIES USS IS EXEMPT OF ALL TAXES. THUS PRECEDENT OF PAYING TAXES EXISTS.

2. SINCE SUMMER OF 1976 PROBLEM HAS BECOME MORE URGENT WITH TAX AUTHORITIES THREATENING CLOSURE AND FORCED SALE OF ASSETS. USS HAS ATTEMPTED TO OBTAIN WAIVER OF TAXES AND PENALTIES AS NON-PROFIT ORGANIZATION. AS PART OF THIS EFFORT USS DIRECTOR COUMONT AND VISITING USS ASSISTANT DIRECTOR OPERATIONS DWIGHT YAEGER ACCOMPANIED BY ECON COUNSELOR MADE CALLS JULY 29 ON FINANCE MINISTRY ASSISTANT DIRECTOR OF DIVISION DES IMPORTS DAHMANI AND CHIEF OF SERVICE DE TAXE SUR LES CHIFFRES D'AFFAIRES MUSTAPHA BENJAMAA. FINANCE OFFICIALS GAVE IMPRESSION MINISTRY WOULD RULE AGAINST USS.

3. AT USS REQUEST COMMERCE MINISTRY INTERVENED WITH
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 RABAT 06503 031536Z

FINANCE MINISTRY, STATING USS SHOULD FALL UNDER PRO-

VISIONS OF LAW (DAHIR) WHICH PROVIDES TAX EXEMPT STATUS TO CERTAIN NON-PROFIT ORGANIZATIONS. HOWEVER, RECENT LETTER TO COMMERCE MINISTRY FROM FINANCE SECRETARY GENERAL REJECTS COMMERCE'S POSITION.

4. USS NOW LIABLE TO BE CLOSED AND ASSETS SOLD FOR TAXES AFTER DECEMBER 10 EXPIRATION OF STAY OF EXECUTION FOR PAYMENT OF TAXES AND FINES. COUMONT STATES THERE NO POSSIBILITY USS HEADQUARTERS IN NEW YORK WILL PROVIDE FUNDS FOR BACK TAXES IF FINE WERE WAIVED, SO GRANT OF FULL TAX IMMUNITY APPARENTLY ONLY VIABLE METHOD OF AVOIDING CLOSURE. WHILE USS PROVIDES USEFUL SERVICE TO MARINERS, NUMBER OF U.S. SHIPS CALLING AT CASABLANCA IS RELATIVELY LIMITED (3-4 MAXIMUM PER MONTH).

5. USS BOARD (INCLUDING CASA CONGEN MONJO) CALLED ON CASABLANCA GOVERNOR ALAOUI NOVEMBER 30, EXPLAINING SITUATION AND ASKING HIS ASSISTANCE. GOVERNOR SAID IT CLEARLY IN PREFECTURE'S INTEREST THAT USS CONTINUE TO FUNCTION, AND PROMISED TO LOOK INTO SITUATION PRIOR DECEMBER 10. GOVERNOR STATED HE WOULD BE IN TOUCH WITH USS PRESIDENT BOUYAD WHO IN TURN WILL KEEP INTERESTED CONGENS ADVISED.

6. ACTION REQUESTED: WHILE BALL IS NOW IN GOVERNOR'S COURT, IT IS POSSIBLE THAT AT SOME POINT AMBASSADORS OF THOSE COUNTRIES REPRESENTED ON BOARD (U.S., SWEDEN, BELGIUM, BRITAIN, DENMARK) WILL BE ASKED TO CONSIDER DEMARCHE TO FINANCE MINISTER BENSLIMANE. WOULD APPRECIATE KNOWING WHETHER USS HAS MADE ANY APPROACHES TO DEPARTMENT, AND WHETHER THERE ANY CONGRESSIONAL INTEREST, BEFORE MAKING FINAL DECISION ON HOW TO HANDLE MATTER. ANDERSON

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CLAIMS, TAXES
Control Number: n/a
Copy: SINGLE
Draft Date: 03 DEC 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: greeneet
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976RABAT06503
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760448-1154
From: RABAT
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19761275/aaaacmqi.tel
Line Count: 94
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: greeneet
Review Comment: n/a
Review Content Flags:
Review Date: 17 JUN 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <17 JUN 2004 by BoyleJA>; APPROVED <13 OCT 2004 by greeneet>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: UNITED SEAMEN'S SERVICES TAX PROBLEM
TAGS: EWWT, MO, UNITED SEAMANS SERVICES
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006